

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

August 28, 1967
10:00 A.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Akin presiding.

Roll Call:

Present: Councilmen Janes, LaRue, Long, Nichols, Mayor Akin
Absent: None

MAYOR AKIN announced this meeting was called for the purpose of passing an ordinance calling for an Election to be held on the question of a Sales Tax.

The City Attorney explained the ordinance called the election on September 30th, asking the qualified voters of the City to pass upon the proposition on whether or not there should be in the City of Austin a sales and use tax at the rate of one percent on the receipts from the sale at retail of all tangible personal property within the City which is subject to taxation by the State of Texas under the provisions of the Limited Sales, and Use Excise Tax Act. The ordinance set out the Polling Places. The City Attorney explained the amendment to the Election Code as to the marking of the ballot and stated the Ordinance contains a facsimile of the Official Ballot. Provisions of the ordinance covering the publications and posting of the ordinance were reviewed. He stated the amended code provided that the Council appoint all Election Officials, and this could be done at a later date.

Mayor Akin introduced the following ordinance:

AN ORDINANCE ORDERING A SPECIAL ELECTION TO BE HELD IN THE CITY OF AUSTIN, TEXAS, ON THE QUESTION OF THE ADOPTION OF A ONE PER CENT (1%) LOCAL SALES AND USE TAX WITHIN THE CITY; DESIGNATING THE DAY OF THE ELECTION AND THE POLLING PLACES; PROVIDING THAT ALL DULY QUALIFIED RESIDENT ELECTORS SHALL BE QUALIFIED TO VOTE; PRESCRIBING FORM OF BALLOT; PROVIDING FOR NOTICE OF ELECTION; CONTAINING OTHER PROVISIONS RELATING TO SAID ELECTION; AND DECLARING AN EMERGENCY.

Councilman LaRue moved the passage of the Ordinance calling for a special election to be held on the 30th of September, 1967, the proposition being whether there shall be adopted within the City of Austin a sales and use tax at the rate of one percent on the receipts from the sale at retail of all tangible personal property within the City which is subject to taxation by the State of Texas under

the provisions of the Limited Sales, Excise and Use Tax Act, as enacted, and as heretofore or hereafter amended. Councilman Janes seconded the motion.

Councilman LaRue stated this matter had been gone into as thoroughly as it could be at the public hearing held.

MR. E. R. WROE stated he was present strictly as an observer.

MR. WILLIAM B. BYERS, a home owner in Austin read a statement in opposition to the sales tax, stating the Council should not call an election for a City sales tax at this time, as four out of five families would pay more tax dollars under a 1% sales tax than under a property tax increase to raise the same total number of dollars; the budget now under consideration by the Council does not now require the amount of new revenue to be raised by the Sales Tax; adoption of the City sales tax would have the effect of shifting the tax burden to the consumer public and reducing the percentage of the tax burden borne by the business men of Austin and a heavy majority of families in the lower bracket of incomes up to \$20,000 would pay more under a 1% sales tax than under a property tax increase to finance the City budget next year. The impact of the city sales tax will be heaviest on families of low incomes and lightest on those families of high incomes--those of \$20,000 or more gross annual income. The Council should not call an election until after the adoption of the budget for 1968 to allow time for full analysis of the City's revenue requirements and full debate of the sales tax issue.

Councilman LaRue stated this was a tax peculiarly designed for a City such as Austin, as 52% of the property is not on the tax rolls, this making a burden that has to be borne by the remaining 48% and this is an inequitable situation, and the sales tax approach is a perfect solution.

MAYOR AKIN stated it was unnecessary for the Council to wait further in its analysis of its financial position, as it was far enough along into the examination of the budget to have it indicated very clearly that additional sources of revenue are going to be necessary. The Mayor stated the increase of the 92 cent tax to \$1.00 would produce only \$500,000 and the sales tax would yield around \$1,600,000 (not for this year) but after following proper procedures and after authorization from the Comptroller.

Councilman LaRue noted an indication just over the week end that more money must be forth coming from the Hospital; otherwise it will be losing or be unable to recruit more hospital interns. This will affect not only the quality of service of the Hospital, but will reduce the amount of training carried on in the Nursing Program. The Hospital has indicated very strongly it will need more money.

Councilman Janes stated in February the Federal Minimum Wage would be increased approximately 15%. The City employees are behind already, and this Federal increase will put them farther behind. A supplemental budget could be adopted at anytime when this money becomes available; and the gap could be closed somewhat with the potential income from the sales tax.

Councilman Long stated the City had gotten along so far without a sales tax; and if the budget is planned properly the Council will find it could get along without a sales tax; and that sources are being found in the budget where additional increases could be realized.

Roll call on the passage of the ordinance showed the following vote:

The ordinance was read the first time and Councilman LaRue moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Janes, carried by the following vote:

Ayes: Mayor Akin, Councilmen Janes, LaRue, Long, Nichols
Noes: None

The ordinance was read the second time and Councilman LaRue moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Janes, carried by the following vote:

Ayes: Mayor Akin, Councilmen Janes, LaRue, Long, Nichols
Noes: None

The ordinance was read the third time and Councilman LaRue moved that the ordinance be finally passed. The motion, seconded by Councilman Janes, carried by the following vote:

Ayes: Mayor Akin, Councilmen Janes, LaRue, Long, Nichols
Noes: None

The Mayor announced that the ordinance had been finally passed.

Councilman Long made the following statement concerning her vote on the motion:

"I am merely voting to submit this proposition to the people, but it does not indicate my desire to place a sales tax on the people of Austin."

Councilman LaRue moved that the Council adjourn. The motion, seconded by Councilman Janes, carried by the following vote:

Ayes: Councilmen Janes, LaRue, Nichols, Mayor Akin
Noes: Councilman Long

Councilman Long made the following statement:

"I think a record should be kept of the meetings the Council is having on the budget. It is information that should be perpetuated; and if there is no city record no one will know what happened."

The Council adjourned.

APPROVED Henry Akin
Mayor

ATTEST: Grace Monroe
Asst. City Clerk